

**BOARD OF EDUCATION
UNIFIED SCHOOL DISTRICT NO. 357
Belle Plaine, Kansas**

**Financial Statements
June 30, 2011**

**with
Independent Auditors' Report**

UNIFIED SCHOOL DISTRICT NO. 357
Financial Statements
Year Ended June 30, 2011
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Financial Statements
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 357
Belle Plaine, Kansas

We have audited the accompanying financial statements of the individual funds of Unified School District No. 357, Belle Plaine, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Kansas Municipal Audit Guide, auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the District's policy is to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of Unified School District No. 357, Belle Plaine, Kansas, as of June 30, 2011, and the revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2012, on our consideration of Unified School District No. 357's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Unified School District No. 357, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements, taken as a whole.

This report is intended solely for the use of the management of Unified School District No. 357 and the Kansas Department of Education and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by Unified School District No. 357, is a matter of public record.

Peterson Peterson & Zoss, LC

March 2, 2012

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
General	\$ (142,054)	\$ -	\$ 4,938,802	\$ 4,945,266	\$ (148,518)	\$ 15,096	\$ (133,422)
Supplemental General	(196,228)	-	1,810,361	1,671,514	(57,381)	4,995	(52,386)
Special Revenue:							
At Risk (4 yr old)	2,518	-	59,318	61,836	-	180	180
At Risk (K - 12)	89,845	-	387,795	387,795	89,845	3,269	93,114
Bilingual Education	-	-	-	-	-	-	-
Capital Outlay	334,609	-	507,289	269,397	572,501	178,269	750,770
Contingency Reserve	64,585	-	-	31,606	32,979	-	32,979
Driver Training	12,241	-	8,796	6,600	14,437	-	14,437
Food Service	31,718	-	280,380	285,708	26,390	-	26,390
Special Education	63,539	-	1,160,139	1,129,712	93,966	-	93,966
Vocational Education	21,206	-	121,687	92,893	50,000	2,855	52,855
KPERS Special Retirement Contribution	-	-	264,741	264,741	-	-	-
Textbook and Student Material Revolving	37,022	-	15,673	5,795	46,900	5,795	52,695
State Grants	1,000	-	-	1,000	-	-	-
Gate Receipts	29,767	-	47,818	57,968	19,617	-	19,617
Federal Projects:							
Title I	682	-	97,690	114,237	(15,865)	1,685	(14,180)
Title II-A, Improving Teacher Quality	514	-	15,072	15,586	-	-	-
Title II-D, Tech Literacy	913	-	1,428	2,341	-	2,341	2,341
Title IV-A, Drug Free	309	-	1,506	876	939	125	1,064
Title V, Innovative Programs	6,438	-	2,455	1,762	7,131	-	7,131
Debt Service:							
Bond and Interest	406,206	-	564,292	617,045	353,453	-	353,453
Total Reporting Entity	\$ 764,830	\$ -	\$ 10,285,242	\$ 9,963,678	\$ 1,086,394	\$ 214,610	\$ 1,301,004

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2011

Composition of Cash:

Money Market Account - The Valley State Bank	\$ 790,782
NOW Account - The Valley State Bank	487,606
Petty Cash	3,000
NOW Account - The Valley State Bank - High School	57,786
NOW Account - The Valley State Bank - Middle School	24,514
Checking Account - The Valley State Bank - Elementary School	11,279
Total Cash	<u>1,374,967</u>

Agency Funds per Statement 4	<u>(73,963)</u>
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Total Reporting Entity	<u><u>\$ 1,301,004</u></u>
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The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Expenditures - Actual and Budget
Year Ended June 30, 2011

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Business Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General	\$ 5,213,193	\$ (267,927)	\$ -	\$ 4,945,266	\$ 4,945,266	\$ -
Supplemental General	1,748,182	(70,352)	-	1,677,830	1,671,514	6,316
Special Revenue:						
At Risk (4 yr old)	72,518			72,518	61,836	10,682
At Risk (K - 12)	547,483			547,483	387,795	159,688
Bilingual Education	5,000			5,000	-	5,000
Capital Outlay	421,507			421,507	269,397	152,110
Driver Training	7,430			7,430	6,600	830
Food Service	333,300			333,300	285,708	47,592
Special Education	1,310,104			1,310,104	1,129,712	180,392
Vocational Education	200,000			200,000	92,893	107,107
KPERS Special Retirement Contribution	401,250			401,250	264,741	136,509
Debt Service:						
Bond and Interest	618,795			618,795	617,045	1,750

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 317,640	\$ 338,581	\$ 20,941
Delinquent tax	10,320	9,675	(645)
Mineral production tax	-	500	500
Federal aid:			
ARRA stabilization funds	88,816	88,816	-
Education jobs fund	-	155,517	155,517
State aid:			
Equalization aid	3,702,136	3,527,438	(174,698)
Special education aid	795,000	818,275	23,275
Total Cash Receipts	4,913,912	4,938,802	24,890
Expenditures:			
Instruction (net \$6,800 state aid)	2,739,325	2,166,536	572,789
Student support service	217,680	113,031	104,649
Instructional support service	101,000	106,341	(5,341)
General administration	273,400	263,311	10,089
School administration	311,300	491,539	(180,239)
Operations and maintenance	22,500	-	22,500
Student transportation service	134,850	139,372	(4,522)
Transfers to:			
At Risk (4 yr old) Fund	70,000	54,582	15,418
At Risk (K - 12) Fund	457,638	387,795	69,843
Bilingual Education Fund	500	-	500
Capital Outlay Fund	-	336,365	(336,365)
Special Education Fund	795,000	818,275	(23,275)
Vocational Education Fund	90,000	68,119	21,881
Adjustment to comply with legal max	(267,927)	-	(267,927)
Total Expenditures	4,945,266	4,945,266	-
Receipts Over (Under) Expenditures	(31,354)	(6,464)	24,890
Unencumbered Cash, Beginning	31,354	(142,054)	(173,408)
Unencumbered Cash, Ending	\$ -	\$ (148,518)	\$ (148,518)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 Supplemental General Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 453,223	\$ 508,796	\$ 55,573
Motor vehicle tax	79,842	81,286	1,444
Delinquent tax	14,003	12,535	(1,468)
State aid	1,049,848	1,207,744	157,896
Total Cash Receipts	<u>1,596,916</u>	<u>1,810,361</u>	<u>213,445</u>
Expenditures:			
Instruction	344,389	751,239	(406,850)
Operations and maintenance	865,000	542,481	322,519
Transfers to:			
Special Education Fund	450,000	320,452	129,548
Vocational Education Fund	88,793	52,606	36,187
At Risk (4 yr old) Fund	-	4,736	(4,736)
Adjustment to comply with legal max	(70,352)	-	(70,352)
Total Expenditures	<u>1,677,830</u>	<u>1,671,514</u>	<u>6,316</u>
Receipts Over (Under) Expenditures	(80,914)	138,847	219,761
Unencumbered Cash, Beginning	<u>80,914</u>	<u>(196,228)</u>	<u>(277,142)</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ (57,381)</u>	<u>\$ (57,381)</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
At Risk (4 yr old) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Transfer from General Fund	\$ 70,000	\$ 54,582	\$ (15,418)
Transfer from Supplemental General Fund	-	4,736	4,736
Total Cash Receipts	<u>70,000</u>	<u>59,318</u>	<u>(10,682)</u>
Expenditures:			
Instruction	<u>72,518</u>	<u>61,836</u>	<u>10,682</u>
Receipts Over (Under) Expenditures	(2,518)	(2,518)	-
Unencumbered Cash, Beginning	<u>2,518</u>	<u>2,518</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
At Risk (K - 12) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Transfer from General Fund	\$ 457,638	\$ 387,795	\$ (69,843)
Expenditures:			
Instruction	<u>547,483</u>	<u>387,795</u>	<u>159,688</u>
Receipts Over (Under) Expenditures	(89,845)	-	89,845
Unencumbered Cash, Beginning	<u>89,845</u>	<u>89,845</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ 89,845</u></u>	<u><u>\$ 89,845</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 Bilingual Education Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Other	\$ 4,500	\$ -	\$ (4,500)
Transfer from General Fund	500	-	(500)
Total Cash Receipts	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Expenditures:			
Instruction	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 74,207	\$ 76,536	\$ 2,329
Delinquent tax	-	2,133	2,133
Motor vehicle tax	10,772	11,608	836
Interest earnings	-	12,761	12,761
Other	-	67,886	67,886
Transfer from Supplemental General Fund	-	336,365	336,365
Total Cash Receipts	<u>84,979</u>	<u>507,289</u>	<u>422,310</u>
Expenditures:			
Instruction	90,000	81,193	8,807
Operations and maintenance	100,000	-	100,000
Facility acquisition and construction	231,507	188,204	43,303
Total Expenditures	<u>421,507</u>	<u>269,397</u>	<u>152,110</u>
Receipts Over (Under) Expenditures	(336,528)	237,892	574,420
Unencumbered Cash, Beginning	<u>334,055</u>	<u>334,609</u>	<u>554</u>
Unencumbered Cash, Ending	<u>\$ (2,473)</u>	<u>\$ 572,501</u>	<u>\$ 574,974</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

	<u>Actual</u>
Expenditures:	
Other	<u>\$ 31,606</u>
Receipts Over (Under) Expenditures	(31,606)
Unencumbered Cash, Beginning	<u>64,585</u>
Unencumbered Cash, Ending	<u><u>\$ 32,979</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 Driver Training Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 4,200	\$ 3,996	\$ (204)
Miscellaneous	-	4,800	4,800
Total Cash Receipts	<u>4,200</u>	<u>8,796</u>	<u>4,596</u>
Expenditures:			
Instruction	<u>7,430</u>	<u>6,600</u>	<u>830</u>
Receipts Over (Under) Expenditures	(3,230)	2,196	5,426
Unencumbered Cash, Beginning	<u>12,230</u>	<u>12,241</u>	<u>11</u>
Unencumbered Cash, Ending	<u><u>\$ 9,000</u></u>	<u><u>\$ 14,437</u></u>	<u><u>\$ 5,437</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 3,045	\$ 3,366	\$ 321
Federal aid	177,175	172,368	(4,807)
Charges for services	149,740	104,646	(45,094)
Total Cash Receipts	<u>329,960</u>	<u>280,380</u>	<u>(49,580)</u>
Expenditures:			
Food service operation (net \$270 federal aid)	<u>333,300</u>	<u>285,708</u>	<u>47,592</u>
Receipts Over (Under) Expenditures	(3,340)	(5,328)	(1,988)
Unencumbered Cash, Beginning	<u>31,710</u>	<u>31,718</u>	<u>8</u>
Unencumbered Cash, Ending	<u><u>\$ 28,370</u></u>	<u><u>\$ 26,390</u></u>	<u><u>\$ (1,980)</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Federal aid:			
Medicaid	\$ -	\$ 18,086	\$ 18,086
Reimbursement	-	3,326	3,326
Transfers from:			
General Fund	795,000	818,275	23,275
Supplemental General Fund	450,000	320,452	(129,548)
Total Cash Receipts	<u>1,245,000</u>	<u>1,160,139</u>	<u>(84,861)</u>
Expenditures:			
Instruction	<u>1,310,104</u>	<u>1,129,712</u>	<u>180,392</u>
Receipts Over (Under) Expenditures	(65,104)	30,427	95,531
Unencumbered Cash, Beginning	<u>81,152</u>	<u>63,539</u>	<u>(17,613)</u>
Unencumbered Cash, Ending	<u>\$ 16,048</u>	<u>\$ 93,966</u>	<u>\$ 77,918</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Student projects	\$ -	\$ 962	\$ 962
Transfers from:			
General Fund	90,000	68,119	(21,881)
Supplemental General Fund	88,793	52,606	(36,187)
Total Cash Receipts	<u>178,793</u>	<u>121,687</u>	<u>(57,106)</u>
Expenditures:			
Instruction	<u>200,000</u>	<u>92,893</u>	<u>107,107</u>
Receipts Over (Under) Expenditures	(21,207)	28,794	50,001
Unencumbered Cash, Beginning	<u>21,207</u>	<u>21,206</u>	<u>(1)</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 KPERS Special Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 401,250	\$ 264,741	\$ (136,509)
Expenditures:			
Instruction	278,468	64,085	214,383
Student support	20,293	105,578	(85,285)
Instructional support	9,330	5,742	3,588
General administration	16,794	41,945	(25,151)
School administration	26,124	8,194	17,930
Operations and maintenance	27,990	17,257	10,733
Student transportation services	8,724	6,846	1,878
Food service	13,527	15,094	(1,567)
Total Expenditures	<u>401,250</u>	<u>264,741</u>	<u>136,509</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Textbook and Student Material Revolving Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

	<u>Actual</u>
Cash Receipts:	
Fees and rentals	\$ 15,673
Expenditures:	
Materials	<u>5,795</u>
Receipts Over (Under) Expenditures	9,878
Unencumbered Cash, Beginning	<u>37,022</u>
Unencumbered Cash, Ending	<u><u>\$ 46,900</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
State Grants Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

	<u>Actual</u>
Expenditures:	
Other	<u>\$ 1,000</u>
Receipts Over (Under) Expenditures	(1,000)
Unencumbered Cash, Beginning	<u>1,000</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Federal Projects Funds
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2011

	Title I	Title II-A, Improving Teacher Quality	Title II-D, Tech Literacy	Title IV-A, Drug Free	Title V, Innovative Programs
Cash Receipts:					
Federal aid	\$ 46,858	\$ 15,072	\$ 334	\$ 1,506	\$ 2,455
ARRA funds	50,832	-	1,094	-	-
Total Cash Receipts	97,690	15,072	1,428	1,506	2,455
Expenditures:					
Instruction and supplies	62,723	15,586	1,247	876	1,762
ARRA funds	51,514	-	1,094	-	-
Total Expenditures	114,237	15,586	2,341	876	1,762
Receipts Over (Under) Expenditures	(16,547)	(514)	(913)	630	693
Unencumbered Cash, Beginning	682	514	913	309	6,438
Unencumbered Cash, Ending	\$ (15,865) *	\$ -	\$ -	\$ 939	\$ 7,131

* - This is a reimbursable federal fund that reimbursement was made after the end of the fiscal year.

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 Bond and Interest Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 187,755	\$ 199,579	\$ 11,824
Delinquent tax	7,619	8,550	931
Motor vehicle tax	51,290	52,681	1,391
State aid	301,540	303,482	1,942
Total Cash Receipts	<u>548,204</u>	<u>564,292</u>	<u>16,088</u>
Expenditures:			
Interest	32,045	32,045	-
Commission and postage	1,750	-	1,750
Principal	585,000	585,000	-
Total Expenditures	<u>618,795</u>	<u>617,045</u>	<u>1,750</u>
Receipts Over (Under) Expenditures	(70,591)	(52,753)	17,838
Unencumbered Cash, Beginning	<u>416,150</u>	<u>406,206</u>	<u>(9,944)</u>
Unencumbered Cash, Ending	<u>\$ 345,559</u>	<u>\$ 353,453</u>	<u>\$ 7,894</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 School Activity Funds
 Statement of Cash Receipts and Cash Disbursements
 Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Band Club	\$ 1,233	\$ 401	\$ 524	\$ 1,110
Band Enhancement	2,190	-	2,190	-
Musical	-	3,757	3,189	568
Class of 2011	3,303	-	2,713	590
Class of 2012	83	5,860	3,169	2,774
Forensics	113	-	-	113
FBLA	545	1,499	919	1,125
Letter Club	2,532	-	-	2,532
National Honor Society	263	93	244	112
SADD	1,726	528	796	1,458
Language Club	416	605	580	441
Principal's Fund	1,236	123	-	1,359
Cheerleaders	1,178	5,776	4,128	2,826
Scholars Bowl	382	61	156	287
Stuco	834	763	1,573	24
Teachers	72	360	249	183
Vocal - Florida Trip	1,709	-	1,709	-
Dance Team	884	793	410	1,267
Softball	972	1,712	2,000	684
Boys Basketball	882	1,383	1,695	570
Girls Basketball	-	76	44	32
Football	1,860	3,592	3,098	2,354
Baseball	1,835	1,524	1,164	2,195
Volleyball	53	2,876	2,341	588
Track	79	359	359	79
T.S.A.	2,134	3,119	2,659	2,594
Foundation Scholarship	1,563	1,251	1,500	1,314
FCCLA —	4,116	355	765	3,706
FCA	78	-	78	-
IHT	313	-	-	313
Beverage	2,801	5,235	4,135	3,901
Marquee	8,161	1,660	2,376	7,445
Bad Co	8,454	-	754	7,700
Embroidery Projects	238	-	-	238

UNIFIED SCHOOL DISTRICT NO. 357
 School Activity Funds
 Statement of Cash Receipts and Cash Disbursements
 Year Ended June 30, 2011

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds (continued):				
Middle School:				
Band Club	\$ 68	\$ -	\$ -	\$ 68
Cheerleaders	720	554	570	704
Library Club	3,039	200	1,606	1,633
School Store	86	-	-	86
PTO	170	-	-	170
Student Council	176	-	-	176
Yearbook Club	1,883	1,570	1,957	1,496
Renaissance Fund	129	-	-	129
Reading Renaissance	2,386	2,146	1,977	2,555
Spelling Bee	1	-	-	1
Special Donation	174	160	160	174
Staff Activities	400	-	-	400
AAA	55	-	33	22
SAP	552	2	172	382
Top Dogs	6,913	572	3,421	4,064
Vocal Club	-	117	-	117
Elementary School:				
Equipment	367	3,829	4,006	190
Field Trip	407	4,191	4,353	245
Grants	18	-	-	18
Software	379	-	-	379
Student Leadership Team	199	-	-	199
Building	6,811	4,665	5,480	5,996
Library Club	2,545	3,684	2,579	3,650
Accelerated Reader	506	1,017	1,140	383
Yearbook	227	1,327	1,335	219
Total Student Organization Funds	80,449	67,795	74,306	73,938
Sales tax	25	3,076	3,076	25
Total	<u>\$ 80,474</u>	<u>\$ 70,871</u>	<u>\$ 77,382</u>	<u>\$ 73,963</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
 District Activity Funds
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts:					
High School:					
Athletics	\$ 9,604	\$ 22,621	\$ 26,566	\$ 5,659	\$ 5,659
Concessions	3,871	7,097	9,347	1,621	1,621
Middle School:					
Athletics	5,056	8,822	12,488	1,390	1,390
Concessions	11,236	9,278	9,567	10,947	10,947
Total Gate Receipts	<u>\$ 29,767</u>	<u>\$ 47,818</u>	<u>\$ 57,968</u>	<u>\$ 19,617</u>	<u>\$ 19,617</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2011

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Unified School District No. 357 (the District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reporting Entity

Unified School District No. 357 Board of Education ("Board") is the basic level of government which has financial accountability and control over all activities related to the public school education in the City of Belle Plaine, Kansas. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB, since the seven Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units, as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Basis of Presentation

Fund Accounting - A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the fiscal year of 2011:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2011

1. Summary of Significant Accounting Policies (continued)

Debt Service Fund - to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Fiduciary Funds

Fiduciary Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Basis of Accounting

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund and expenditure would be charged in the fund from which the transfer is made.

The District has approved a waiver from generally accepted accounting principles, allowed by the State of Kansas, which allows the District to report on the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. In addition, general fixed assets that account for the land, building and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2011

2. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and debt service fund. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year- end.

A legal operating budget is not required for capital project funds, trust funds and the following special revenue funds:

Contingency Reserve
Textbook and Student Material Revolving
State Grants
Gate Receipts
Federal Projects

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2011

3. Interfund Transfers

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenue are as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At Risk (4 yr old) Fund	K.S.A. 72-6428	\$ 54,582
General Fund	At Risk (K -12) Fund	K.S.A. 72-6428	387,795
General Fund	Capital Outlay Fund	K.S.A. 72-6428	336,365
General Fund	Special Education Fund	K.S.A. 72-6428	818,275
General Fund	Vocational Education Fund	K.S.A. 72-6428	68,119
Supplemental General Fund	Special Education Fund	K.S.A. 72-6428	320,452
Supplemental General Fund	At Risk (4 yr old) Fund	K.S.A. 72-6428	4,736
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6428	52,606

4. Defined Benefit Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contribution to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$188,864,352, \$248,468,186, and \$242,277,363 respectively, equal to the required contributions for each year as set forth by the legislature. Remaining balance due from the State for year ending June 30, 2011 of \$64,969,692 was received by July 12, 2011. The amounts attributable to the District for the years ending June 30, 2011, 2010, 2009 were \$260,741, \$340,043, and \$342,149.

UNIFIED SCHOOL DISTRICT NO. 357
Notes to Financial Statements
June 30, 2011

5. Compensated Absences

Vacation

Twelve-month non-teacher personnel are provided vacation ranging from 2 to 3 weeks based on years of service. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated or carried forward. Hence, there is no estimated liability for accrued vacation pay at June 30, 2011.

Sick Leave

Full-time teachers contracted for twelve-month positions start each school year with ten days of sick leave with full pay. Teachers may accumulate unused sick leave to a total of 70 days. Classified personnel contracted for twelve-month positions start each school year with ten days of sick leave with full pay and may accumulate to a total of 60 days. Classified personnel contracted for ten-month positions may only accumulate unused sick leave to 40 days. Terminated or retiring employees are not compensated for their unused sick leave. Hence, there is no estimated liability for accrued sick leave at June 30, 2011.

6. Deposits and Investments

Deposits

At June 30, 2011, the carrying amount of the District's deposits was \$1,374,967. The bank balance was \$1,886,563. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining \$1,636,563 was collateralized by pledged securities held under joint custody receipts issued by UMB Bank Kansas, Kansas City, Kansas. UMB Bank Kansas is independent of Valley State Bank.

Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements and the State Treasurer's investment pool. All investments must be insured, registered, or held by the District or its agent in the District's name. The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2011

6. Deposits and Investments (continued)

At year ended June 30, 2011 the District had no investments required to be categorized in the risk categories discussed in the preceding paragraph.

7. Risk Management

The District manages risk primarily through the purchase of insurance coverage from commercial insurers.

8. Subsequent Events

Subsequent events have been evaluated through March 2, 2012, which is the date the financial statements were available to be issued. There were no such events identified to be disclosed.

9. Compliance with Kansas Statutes

Management is aware of no statutory violations for the period ended June 30, 2011 audit.

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes.

UNIFIED SCHOOL DISTRICT NO. 357
GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Statutory Transactions</u>	<u>Variance Favorable (Unfavorable)</u>
STATUTORY REVENUES			
Taxes and shared revenue:			
Ad valorem property	\$ 317,640	\$ 338,581	\$ 20,941
Delinquent tax	10,320	9,675	(645)
Mineral production tax	-	500	500
Federal aid:			
ARRA stabilization funds	88,816	88,816	-
Education jobs fund	-	155,517	155,517
State aid:			
Equalization aid	3,702,136	3,535,026	(167,110)
Special education aid	795,000	818,275	23,275
Total Statutory Revenues	<u>4,913,912</u>	<u>4,946,390</u>	<u>32,478</u>
EXPENDITURES			
Instruction (net \$6,800 state aid)	2,739,325	2,166,536	572,789
Student support service	217,680	113,031	104,649
Instructional support service	101,000	106,341	(5,341)
General administration	273,400	263,311	10,089
School administration	311,300	491,539	(180,239)
Operations and maintenance	22,500	-	22,500
Student transportation service	134,850	139,372	(4,522)
Transfers to:			
At Risk (4 yr old) Fund	70,000	54,582	15,418
At Risk (K - 12) Fund	457,638	387,795	69,843
Bilingual Education Fund	500	-	500
Capital Outlay Fund	-	336,365	(336,365)
Special Education Fund	795,000	818,275	(23,275)
Vocational Education Fund	90,000	68,119	21,881
Adjustment to comply with legal max	(267,927)	-	(267,927)
Total Expenditures	<u>4,945,266</u>	<u>4,945,266</u>	<u>-</u>
Revenue Over (Under) Expenditures	(31,354)	1,124	32,478
MODIFIED UNENCUMBERED CASH, July 1, 2010	<u>31,354</u>	<u>5,907</u>	<u>(25,447)</u>
MODIFIED UNENCUMBERED CASH, June 30, 2011	<u>\$ -</u>	<u>\$ 7,031</u>	<u>\$ 7,031</u>

UNIFIED SCHOOL DISTRICT NO. 357
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Statutory Transactions</u>	<u>Variance Favorable (Unfavorable)</u>
STATUTORY REVENUES			
Taxes and shared revenue:			
Ad valorem property	\$ 453,223	\$ 508,796	\$ 55,573
Motor vehicle tax	79,842	81,286	1,444
Delinquent tax	14,003	12,535	(1,468)
State aid	<u>1,049,848</u>	<u>1,068,897</u>	<u>19,049</u>
Total Statutory Revenues	<u>1,596,916</u>	<u>1,671,514</u>	<u>74,598</u>
EXPENDITURES			
Instruction	344,389	751,239	(406,850)
Operations and maintenance	865,000	542,481	322,519
Transfers to:			
Special Education Fund	450,000	320,452	129,548
Vocational Education Fund	88,793	52,606	36,187
At Risk (4 yr old) Fund	-	4,736	(4,736)
Adjustment to comply with legal max	<u>(70,352)</u>	<u>-</u>	<u>(70,352)</u>
Total Expenditures	<u>1,677,830</u>	<u>1,671,514</u>	<u>6,316</u>
Receipts Over (Under) Expenditures	(80,914)	-	80,914
MODIFIED UNENCUMBERED CASH, July 1, 2010	<u>80,914</u>	<u>-</u>	<u>(80,914)</u>
MODIFIED UNENCUMBERED CASH, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

Year Ended June 30, 2011

10. Long-term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Refunding	1.4% to 2.5%	9/1/2009	1,875,000	9/1/2013	\$ 1,875,000	\$ -	\$ 585,000	\$ 1,290,000	\$ 32,045
Capital Leases:									
Copiers and duplicator		8/27/2010	120,636	11/1/2015	-	120,636	10,548	110,088	23,543
HVAC Equipment		7/18/2008	207,270	7/23/2012	115,260	-	53,204	62,056	6,483
Learning System Software		9/19/2008	54,100	9/19/2010	18,007	-	18,007	-	1,223
Total Capital Leases					133,267	120,636	81,759	172,144	31,249
Total Contractual Indebtedness					\$ 2,008,267	\$ 120,636	\$ 666,759	\$ 1,462,144	\$ 63,294

Annual Debt Service Requirements

	2012	2013	2014	2015	2016	Total
Principal:						
General obligation bonds	\$ 450,000	\$ 460,000	\$ 380,000	\$ -	\$ -	\$ 1,290,000
Capital leases	72,910	25,047	25,581	32,551	16,055	172,144
Total Principal	522,910	485,047	405,581	32,551	16,055	1,462,144
Interest:						
General obligation bonds	27,950	19,850	9,500	-	-	57,300
Capital leases	27,686	20,836	15,328	8,358	990	73,198
Total Interest	55,636	40,686	24,828	8,358	990	130,498
Total Principal and Interest	\$ 578,546	\$ 525,733	\$ 430,409	\$ 40,909	\$ 17,045	\$ 1,592,642

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JOHN B. GOSS, C.P.A.

PRINCIPALS
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OF COUNSEL
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Belle Plaine Unified School District No. 357
Belle Plaine, Kansas

We have audited the basic financial statements of Belle Plaine Unified School District No. 357 as of and for the year ended June 30, 2011, and have issued our report thereon dated March 2, 2012. Our report disclosed that, as discussed in Note 1 to the financial statements, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the District's internal control over financial reporting.

Internal Control Over Financial Reporting (continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education and management of Belle Plaine Unified School District No. 357, others within the District, Kansas State Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Peterson Peterson & Zoss, LC

March 2, 2012

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MARVIN W. NYE, C.P.A.**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Belle Plaine Unified School District No. 357
Belle Plaine, Kansas

Compliance

We have audited the compliance of Belle Plaine Unified School District No. 357 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Belle Plaine Unified School District No. 357 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be, deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education and management of Belle Plaine Unified School District No. 357, others within the District, Kansas State Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Peterson Peterson & Zoss, LC

March 2, 2012

BELLE PLAINE UNIFIED SCHOOL DISTRICT NO. 357
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Belle Plaine Unified School District No. 357.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Belle Plaine Unified School District No. 357 were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the report on compliance in accordance with OMB Circular A-133.
5. The auditor's report on compliance of the major federal award programs for Belle Plaine Unified School District No. 357 expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this schedule.
7. The programs tested as major programs included:
 - Education Jobs Funds – 84.410
 - Child Nutrition Cluster:
 - School Breakfast Program (SBP) – 10.553
 - National School Lunch Program (NSLP) – 10.555
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Belle Plaine Unified School District No. 357 did not qualify to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

UNIFIED SCHOOL DISTRICT NO. 357
Schedule of Expenditures of Federal Awards
Year Ended June 30,2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity ID Number	Federal Expenditures	Award Amount by Cluster
Passed-through Kansas Department of Education:				
Fresh Fruits and Vegetables	10.582	3230-3020	\$ 15,053	\$ 15,053
Team Nutrition Grant	10.574	3230-3020	270	270
Child Nutrition Cluster:				
School Breakfast Program	10.553	3529-3490	29,896	
National School Lunch Program	10.555	3530-3500	109,789	
Cash for Commodities	10.555	3530-3500	<u>17,630</u>	
Total Child Nutrition Cluster				157,315
U.S. Department of Education:				
Passed-through Kansas Department of Education:				
Title I, Part A Cluster:				
Title I, Low Income	84.010	3532-3520	62,723	
ARRA - Title I, Low Income	84.389	3532-3525	<u>51,514</u>	
Total Title I, Part A Cluster				114,237
Drug Free Schools and Communities	84.186	3795-3100	876	876
Title II-A, Improving Teacher Quality Cluster:				
Title II-A, Improving Teacher Quality	84.367	3526-3860	15,586	15,586
Educational Technology State Grants Cluster:				
Title II-D, Technology Literacy	84.318	3233-3040	1,247	
ARRA - Title II-D, Technology Literacy	84.386	3233-3044	<u>1,094</u>	
Total Educational Technology State Grants Cluster				2,341
ARRA - State Fiscal Stabilization Funds - 2009	84.394	3790-3790	88,816	88,816
Education Jobs Fund	84.410	3551-3551	155,517	155,517
U.S. Department of Education:				
Passed-through South Central Kansas Education Service Center:				
Title V, Innovative Programs	84.298	N/A	1,762	1,762
U.S. Department of Health and Human Services:				
Passed-through Kansas Social and Rehabilitation Services:				
Medicaid	93.778	N/A	<u>18,086</u>	<u>18,086</u>
Total				<u>\$569,859</u>

The notes to the financial statements are an intergral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Schedule of Expenditures of Federal Awards
Year Ended June 30,2011

Note 1 - Basis of Presentation

The schedule of expenditures of federal awards is presented using the accounting practice prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule. The information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Prior Audit Findings
Year Ended June 30,2011

There are no prior audit findings.